



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 9, 2002

S. 2950

A bill to amend title 49, United States Code, to authorize appropriations for the National Transportation Safety Board for fiscal years 2003, 2004, 2005, and for other purposes

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on September 19, 2002

SUMMARY

S. 2950 would extend the authorization for the National Transportation Safety Board (NTSB) and expand a grant program administered by the National Highway Traffic Safety Administration (NHTSA). Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 2950 would cost \$314 million over the 2003-2007 period. Enacting the bill would not affect direct spending or revenues.

The NTSB investigates every civil aviation accident and significant accidents in other modes of transportation. Over the 2003-2005 period, S. 2950 would authorize the appropriation of about \$248 million for NTSB activities and about \$13 million for the NTSB training academy. The bill also would authorize the appropriation of amounts necessary to maintain an emergency fund of \$3 million at all times.

NHTSA provides grants to states for programs designed to improve the safety of children when they ride in automobiles. S. 2950 would extend this program over the next two years. The bill also would direct NHTSA to develop a similar new program and provide additional grants to states in 2004. For those two grant programs, CBO estimates that the bill would authorize the appropriation of \$53 million. In addition to these grants, S. 2950 would direct NHTSA to develop regulations for child seats and rear seat belts and to report on the development of a dummy that would show the effects of crash tests on a 10-year-old child.

S. 2950 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The bill would authorize grants to states to carry out programs to protect passengers under the age

of 16. Any costs to grantees as a result of participating in the program would be incurred voluntarily. S. 2950 would impose a private-sector mandate as defined in UMRA on the manufacturers of passenger motor vehicles. Based on information from government and industry sources, CBO expects that the direct cost to manufacturers for this requirement would exceed the annual threshold for private-sector mandates established by UMRA (\$115 million in 2002, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2950 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION					
Spending Under Current Law for NTSB and NHTSA Child Safety Grants					
Budget Authority ^a	0	0	0	0	0
Estimated Outlays	10	0	0	0	0
Proposed Changes					
Estimated Authorization Level	86	135	95	0	0
Estimated Outlays	75	121	109	9	0
Spending Under S. 2950 for NTSB and NHTSA Child Safety Grants					
Estimated Authorization Level ^a	86	135	95	0	0
Estimated Outlays	85	121	109	9	0

a. A full-year appropriation for 2003 has not yet been provided for these agencies. No funds were appropriated over the 2000-2002 period for grants to states to improve the safety of children when they ride in automobiles; however, the Department of Transportation used administrative authority to transfer \$7.5 million to this program in each of those years.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2950 will be enacted near the beginning of fiscal year 2003 and that the necessary amounts will be appropriated for each year. Estimates of

spending are based on information from NTSB, NHTSA, and historical spending patterns for these programs.

NTSB Funding

S. 2950 would authorize the appropriation of \$261 million for the NTSB and its academy and additional amounts necessary to maintain balances in the NTSB's emergency fund of \$3 million. The NTSB emergency fund currently has a balance of about \$1.4 million in budget authority. CBO estimates that S. 2950 would authorize the appropriation of about \$1.6 million to increase the fund to a total of \$3 million in budget authority.

NTSB has not spent from the emergency fund on a regular basis, and CBO does not estimate any outlays from the fund over the 2003-2007 period. Consequently, we estimate that the emergency fund would not require any additional appropriations to maintain the fund at \$3 million over the period.

NHTSA Funding

S. 2950 would authorize the appropriation of \$7.5 million to NHTSA for each of fiscal years 2003 and 2004 for extending the current grant program to improve the safety of children when they ride in automobiles. S. 2950 specifies that a state's grant from the new program would equal five times the amount provided to that state in 2003 under the current program. Consequently, CBO estimates that the bill would authorize the appropriation of another \$37.5 million for the new program in 2004. CBO estimates that the cost of developing new regulations on child safety, reporting on the test dummy, and administering the grant programs would be less than \$500,000 in any year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2950 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would authorize grants to states to carry out programs to protect automobile passengers under the age of 16. Any costs to grantees as a result of participating in the program would be incurred voluntarily.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 2950 would impose a private-sector mandate, as defined in UMRA, on the manufacturers of passenger motor vehicles. The bill would require those manufacturers to install a lap and shoulder belt harness in all rear designated seating positions of vehicles weighing 10,000 pounds or less. According to information provided by the NHTSA and the automobile industry, the per vehicle cost to install a harness and any reinforcement necessary for the seat could range from \$50 to \$85 depending on the model of vehicle. The costs would be lower for vehicles that would not need the additional reinforcements. One-quarter to one-third of the industry already equips vehicles with a harness in the center-rear seating position, meaning that the requirement would apply to roughly 9 million to 12 million vehicles. Consequently, CBO estimates the annual cost to the manufacturers would exceed the annual threshold for private-sector mandates established by UMRA (\$115 million in 2002, adjusted annually for inflation) and could amount to as much as \$1 billion.

PREVIOUS CBO ESTIMATES

On October 4, 2002, CBO transmitted a cost estimate for H.R. 5504, Anton's Law, as ordered reported by the House Committee on Energy and Commerce on October 2, 2002. The estimated costs of S. 2950 and H.R. 5504 differ because they would authorize different kinds of activities. For example, H.R. 5504 would authorize appropriations for the Secretary to conduct research; it would not, however, authorize additional grants to states.

On May 14, 2002, CBO transmitted a cost estimate for H.R. 4466, the National Transportation Safety Board Reauthorization Act of 2002, as ordered reported by the House Committee on Transportation and Infrastructure on April 24, 2002. The first title of S. 2950 is very similar to H.R. 4466; however, the Senate bill would authorize an emergency fund of \$3 million, and the House bill would authorize an emergency fund of \$6 million.

On September 4, 2001, CBO transmitted a cost estimate for S. 980, Anton's Law, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on August 2, 2001. The second title of S. 2950 is very similar to S. 980; however, S. 2950 would authorize appropriations for NHTSA's current grant program in fiscal years 2003 and 2004, and S. 980 would authorize appropriations for that program in fiscal years 2002 and 2003. The cost estimates reflect this difference.

H.R. 5504, S. 980, and S. 2950 contain the same mandate on the manufacturers of passenger motor vehicles. The cost of that mandate would exceed the annual threshold established in UMRA for private-sector mandates (\$115 million in 2002, adjusted annually for inflation).

H.R. 4466 does not contain the mandate on manufacturers of motor vehicles but would impose mandates on persons who would hinder an investigation of accidents involving a major loss of life, attorneys, and passenger rail carriers. The total costs of private-sector mandates in H.R. 4466 would fall well below the statutory threshold.

ESTIMATE PREPARED BY:

Federal Costs: Rachel Milberg

Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins

Impact on the Private Sector: Jean Talarico

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis